

Instructions to member

You may be eligible to purchase up to five years of creditable service for your US Department of Defense overseas dependent school teaching service. If you are interested in purchasing this credit, please:

- 1) **Complete** Parts 1 through 3, below. Be sure to obtain your Statement of Federal Service (NA Form 13037) from the National Records Center; this statement documents your period(s) of employment, the salary rate(s) paid, and any additional allowances paid for maintenance or housing.
- 2) **Send** your completed form—along with your Statement of Federal Service—to our main or Springfield office. If you have any questions, please contact a Member Services representative in our main or Springfield office.

M T R S U S E O N L Y

MS

1 Member information

Social Security number. _____ MTRS Member number, if known _____

Name. First _____ MI _____ Last _____

Former/maiden name _____ Not applicable

Home address _____

City _____ State _____ ZIP _____

Home phone (_____) _____ E-mail _____

MTRS membership status As of _____ (date of application): Active Inactive

2 Your US Department of Defense overseas dependent school teaching service

Name of overseas school _____

Location of overseas school . . . Country _____

Website address (URL) _____ E-mail _____

Period of service		Position title	Level (check one)			Employment status (check one)	
From mm/dd/yyyy	To mm/dd/yyyy		Elementary	Middle	High	Full time	Part-time; also indicate as a % of full-time, e.g., 50%
_____		_____	_____	_____	_____	_____	_____ %
_____		_____	_____	_____	_____	_____	_____ %
_____		_____	_____	_____	_____	_____	_____ %

Have you received credit for this service in any other retirement plan? Yes No

If yes: Please identify _____

Have you received, or will you be eligible to receive, a retirement benefit from that plan? . Yes No

MANDATORY ☐ I have attached a copy of my *Statement of Federal Service*.

3 Your statement and signature

Please confirm my eligibility to purchase my overseas school service. I understand that if I wish to purchase this service, I will have to pay the total amount due: while I am either an active member of the MTRS or an inactive member on an authorized leave of absence; and, by my date of retirement from the MTRS. I hereby certify under the penalties of perjury that the information I have provided here is true and accurate.

Signature _____

Date _____

If you anticipate retiring
**within the next six
months**, please indicate the
approximate date:



INTEREST INCREASE ALERT

Pursuant to pension reform legislation effective April 2, 2012, the rate of interest charged on this type of service purchase **INCREASES** from "buyback" interest (currently, 4.125%) to "actuarial" interest (currently, 8.25%) **if you do not submit your completed service purchase application BEFORE APRIL 2, 2013.**

Note: If you are a former member of a Massachusetts contributory retirement system who has re-entered membership after April 2, 2012, you will be charged buyback interest if your service purchase application is received within one year of your date of re-entry to service.

For details, and examples of buyback and actuarial interest charges, please see our website at mass.gov/mtrs.

Re: Purchasing creditable service for United States Department of Defense overseas dependent school service—Instructions and application form

Dear Member,

Thank you for expressing your interest in purchasing credit for your prior service. If you were employed as a teacher in a United States Department of Defense overseas dependent school, you may be eligible to purchase credit for your service. To determine whether you may be eligible to purchase this type of service, please answer these questions:

- 1) Were you employed as a teacher in an overseas dependent school supervised by the United States Department of Defense? ☐ Yes ☐ No
If "yes," please go to Question 2. If "no," your service is not eligible for purchase.
- 2) At the time of your anticipated service purchase, will you be either actively teaching in Massachusetts OR on an authorized leave of absence? ☐ Yes ☐ No
If "yes," please go to Question 3. If "no," you will not be eligible to purchase your service.
- 3) Have you received retirement credit for this service in any other retirement plan? ☐ Yes ☐ No
If "no," you may be eligible to purchase credit for your overseas school service. If "yes," have you received, or will you be eligible to receive, a retirement benefit from that plan? ☐ Yes ☐ No
If "no," you may be eligible to purchase credit for your overseas school service. If "yes," your service is not eligible for purchase. If you are entitled to receive a retirement allowance from the other plan, the federal government or any other source, you are not eligible to purchase this service with the MTRS.

If you passed the quiz, then you may be eligible to purchase up to five years of creditable service for your overseas school service. Please review the information inside. If you wish to apply to purchase this service, it is best if you complete and return your application at least six months before your date of retirement. Service cannot be purchased after the effective date of your retirement.

If you have any questions, please contact a Member Services representative in our main office, at 617-679-MTRS, or our Springfield office, at 413-784-1711. We look forward to helping you through the service purchase process!

Sincerely,

JOAN SCHLOSS, Executive Director

Are there any other requirements or restrictions I should know about?

Yes—you may purchase a maximum of five years of credit for your Department of Defense overseas dependent school service, subject to the following restrictions:

- The amount of your overseas service purchase cannot exceed the amount of your creditable Massachusetts teaching service at the time of your retirement.
- Each year of overseas service purchased, up to five years, counts toward the ten-year maximum of out-of-state service that you may purchase.
- You cannot purchase more than a total of ten years of creditable service for all of your out-of-state and Department of Defense teaching service combined.
- At the time of your retirement, you must have a matching year of Massachusetts membership as a teacher in the MTRS, Massachusetts State Retirement System or Boston Retirement System for each year of overseas teaching service and out-of-state teaching service you wish to purchase, and you cannot count the same Massachusetts service toward both types of purchases. For example, if you wish to purchase three years of Department of Defense dependent school service, three years of out-of-state teaching service, and four years of Massachusetts nonpublic teaching service, you must have at least ten years of Massachusetts membership service as a teacher in the MTRS, Massachusetts State Retirement System or Boston Retirement System at the time of your retirement.

How can I determine if it makes financial sense for me to purchase all—or just a portion—of my overseas service?

Depending on how much creditable service you will have at the time of retirement, purchasing your overseas school service credit may or may not make financial sense for you. Please be aware that a retirement allowance can be no higher than 80 percent of your allowable final salary average, and a service purchase, once made, cannot be refunded. So, before you decide to purchase this service, or decide how much to purchase, please consider whether you expect to be at or near the 80 percent maximum at the time of your retirement *without* this purchase.

I wish to apply for credit for my overseas school service. What do I need to do now?

The process is simple. You need to:

- 1) **Complete** the front of the application form (next page).
- 2) **Obtain** a copy of your *Statement of Federal Service* (also known as a “transcript of service,” or NA Form 13037) from the National Records Center, if you don’t already have one. This is a document that documents your period(s) of employment, the salary rate(s) paid, and any additional allowances paid for maintenance or housing. You may request your form from the National Records Center, 111 Winnebago Street, St. Louis, Missouri 63118.
- 3) **Make** a copy of your completed application and *Statement of Federal Service* for your records.
- 4) **Submit** your completed **original** application and *Statement of Federal Service* to either our main or

Springfield office (addresses on form). Please note that your application will not be accepted unless **ALL** sections are complete; if any required sections are not complete, your form will be returned to you for completion.

What happens after I return my completed application?

We will review your application, verify your eligibility, determine how much service you may purchase, calculate your cost and send you an invoice. Along with your invoice, you will receive information regarding how you may pay for your purchase.

How is the cost of my service purchase calculated?

The cost of purchasing your past service is based on what you would have paid in retirement contributions to the MTRS during the period of your employment with the overseas school—either at the contribution rate that would have been in effect or at your contribution rate, if you were a member of the MTRS prior to rendering your out-of-state service and you left your funds on account with us—plus interest to date.

INTEREST INCREASE ALERT: Depending on your membership history and date of application, you will be charged *either* “buyback” interest (currently, 4.125%) *or* “actuarial” interest (currently, 8.25%). For details on how your interest rate is determined—and **whether you may qualify for the limited, time-sensitive opportunity to pay the lower, “buyback” interest rate**—please visit our website at mass.gov/mtrs.

EXAMPLE

If you taught in an overseas school from September 1976 to June 1977, and your salary for that school year was \$24,000, your cost to purchase that year of service would be \$1,680, plus interest from June 1977 to the date of your purchase.

1976–77 school year salary of \$24,000	\$ 24,000
x Contribution rate of 7%	x 0.07
Annual contributions to MTRS for period	\$ 1,680
+ Interest from June 1977 to date of purchase	+ Interest
Total purchase cost	Total cost

CONTRIBUTION RATE TABLE

If your overseas dependent school service was rendered...	The contribution rate applied is...
Before January 1, 1975	5%
January 1, 1975 through December 31, 1978	7%
January 1, 1979 through December 31, 1983	7% + 2% on earnings over \$30,000
January 1, 1984 through June 30, 1996	8% + 2% on earnings over \$30,000
July 1, 1996 through June 30, 2001	9% + 2% on earnings over \$30,000
July 1, 2001 or after	11%